

## Hong Kong

Exchange rate: US\$1.00 =  
7.76 Hong Kong dollars (HK\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1971 (social assistance); 1973 (universal old-age and disability allowance); 1988 (universal higher-rate disability allowance); 1993 (comprehensive social security assistance); and 1995 (mandatory provident funds), implemented in 2000.

**Type of program:** Universal, mandatory occupational pension, and social assistance system.

Note: Mandatory provident funds in Hong Kong are privately run mandatory occupational funds and should not be confused with publicly run national provident funds found in other countries.

#### Coverage

**Old-age and disability allowances (universal):** Residents of Hong Kong.

**Mandatory provident fund (occupational):** Employees under contract for 60 days or more (shorter for employees in the catering and construction industries) and self-employed persons.

Exclusions: Self-employed hawkers; household workers; persons covered by statutory pension plans or provident funds, such as civil servants or teachers; members of occupational retirement plans who are granted exemption certificates; and foreign workers in Hong Kong for less than 13 months or covered by another country's retirement system.

**Comprehensive social security (social assistance):** Residents of Hong Kong.

#### Source of Funds

##### Insured person

**Old-age and disability allowances (universal):** None.

**Mandatory provident fund (occupational):** At least 5% of monthly earnings (salary, leave pay, commissions, gratuities, bonuses, and housing allowances). Additional voluntary contributions are possible.

The minimum monthly earnings used to calculate contributions are HK\$7,100.

The maximum monthly earnings used to calculate contributions are HK\$30,000.

**Comprehensive social security (social assistance):** None.

##### Self-employed person

**Old-age and disability allowances (universal):** None.

**Mandatory provident fund (occupational):** At least 5% of monthly or yearly income. Additional voluntary contributions are possible.

The minimum monthly earnings used to calculate contributions are HK\$7,100.

The maximum monthly earnings used to calculate contributions are HK\$30,000.

**Comprehensive social security (social assistance):** None.

##### Employer

**Old-age and disability allowances (universal):** None.

**Mandatory provident fund (occupational):** At least 5% of monthly payroll (salary, leave pay, commissions, gratuities, bonuses, and housing allowances). Additional voluntary contributions are possible.

The minimum monthly earnings used to calculate contributions are HK\$7,100.

The maximum monthly earnings used to calculate contributions are HK\$30,000.

**Comprehensive social security (social assistance):** None.

##### Government

**Old-age and disability allowances (universal):** The total cost.

**Mandatory provident fund (occupational):** None.

**Comprehensive social security (social assistance):** The total cost.

#### Qualifying Conditions

##### Old-age pension

**Old-age allowance (universal, means tested):** Age 65 and a resident of Hong Kong for at least seven years, including one year of continuous residence immediately before claiming the benefit. The allowance is income tested (monthly income must not exceed HK\$7,580 if single or HK\$12,290 if married) and asset tested (assets must not exceed HK\$219,000 if single or HK\$332,000 if married).

**Old-age allowance (universal, not means tested):** Age 70 and a resident of Hong Kong for at least seven years, including one year of continuous residence immediately before claiming the benefit.

**Mandatory provident fund (occupational):** Age 65.

Early withdrawal: Age 60 if ceasing employment permanently; at any age if emigrating permanently, if account balance is less than HK\$5,000, or if diagnosed with a terminal illness with a life expectancy of one year or less.

**Comprehensive social security old-age benefit (social assistance):** Age 60 and a resident of Hong Kong for at least one year. The one-year residence does not have to be continuous or immediately before claiming the benefit. The benefit is income tested and asset tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining eligibility.

### Disability pension

**Disability normal-rate allowance (universal):** A resident of Hong Kong for at least seven years, including one year of continuous residence immediately before claiming the benefit. Both residency requirements are waived for residents younger than age 18. Must be assessed with a 100% loss of earning capacity or as profoundly deaf.

**Disability higher-rate allowance (universal):** A resident of Hong Kong for at least seven years, including one year of continuous residence immediately before claiming the benefit. Both residency requirements are waived for residents younger than age 18. Must require constant attendance of another person to perform daily activities. Must not receive care in government-subsidized residential institutions, hospitals, or boarding schools.

**Mandatory provident fund (occupational):** Must be assessed with a total and permanent incapacity for work by a registered medical practitioner.

Employment must cease.

**Comprehensive social security disability benefit (social assistance):** Must be assessed with a disability by a public medical officer and be a resident of Hong Kong for at least one year (requirement waived for residents younger than age 18). The one-year residence does not have to be continuous or immediately before claiming the benefit. The benefit is income tested and asset tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining eligibility.

Partial disability: Paid for an assessed degree of disability of 50% or more and the loss of at least 50% but less than 100% of earning capacity.

### Survivor pension

**Mandatory provident fund (occupational):** Paid to a named survivor if a fund member dies before withdrawing the full account balance.

**Comprehensive social security burial grant (social assistance):** Paid to the person who paid for the funeral if the deceased received social assistance.

## Old-Age Benefits

**Old-age allowance (universal, means tested):** HK\$2,495 a month is paid.

**Old-age allowance (universal, not means tested):** HK\$1,290 a month is paid.

**Mandatory provident fund (occupational):** The account balance is paid, either through a lump sum or periodic payments (as of February 2017).

**Comprehensive social security old-age benefit (social assistance):** HK\$3,340 to HK\$5,690 a month is paid for a person living alone or HK\$3,150 to HK\$5,220 a month if living with other family members, depending on the recipient's health and need for constant attendance; plus special grants to meet the recipient's needs.

## Permanent Disability Benefits

**Disability normal-rate allowance (universal):** HK\$1,650 a month is paid.

**Disability higher-rate allowance (universal):** HK\$3,300 a month is paid.

**Mandatory provident fund (occupational):** A lump sum of the account balance is paid.

**Comprehensive social security disability benefit (social assistance):** HK\$3,340 to HK\$6,095 a month is paid for a person living alone or HK\$3,150 to HK\$5,630 a month if living with other family members, depending on the recipient's age, the assessed degree of disability, and the need for constant attendance; plus special grants to meet the recipient's needs.

## Survivor Benefits

**Mandatory provident fund (occupational):** A lump sum of the account balance is paid.

**Comprehensive social security burial grant (social assistance):** A lump sum equal to the cost of the funeral, up to HK\$14,500, is paid.

## Administrative Organization

**Universal allowances and social assistance:** Social Welfare Department (<http://www.swd.gov.hk/>) administers the programs.

**Mandatory occupational benefits:** Mandatory Provident Fund Schemes Authority (MPFA) (<http://www.mpfa.org.hk/>), under an executive director and an advisory committee, supervises mandatory provident funds. The MPFA licenses provident funds and oversees management of the funds by trustees.

## Sickness and Maternity

### Regulatory Framework

**First and current laws:** 1968 (employment ordinance), 1971 (social assistance), and 1993 (medical benefits).

**Type of program:** Employer-liability (cash benefits) and social assistance (medical benefits) system.

### Coverage

**Cash sickness, maternity, and paternity benefits (employer liability):** Employed persons.

Exclusions: Self-employed persons.

**Medical benefits (social assistance):** Residents of Hong Kong.

### Source of Funds

#### Insured person

*Cash sickness, maternity, and paternity benefits (employer liability):* None.

*Medical benefits (social assistance):* None.

#### Self-employed person

*Cash sickness, maternity, and paternity benefits (employer liability):* Not applicable.

*Medical benefits (social assistance):* None.

#### Employer

*Cash sickness, maternity, and paternity benefits (employer liability):* The total cost; provides benefits directly to employees.

*Medical benefits (social assistance):* None.

#### Government

*Cash sickness, maternity, and paternity benefits (employer liability):* None.

*Medical benefits (social assistance):* The total cost.

### Qualifying Conditions

**Cash sickness benefits (employer liability):** Must have at least one month of continuous employment.

The employee must accumulate a sufficient number of paid sick days to cover the leave period. Paid sick days accumulate at the rate of two days for each complete month of employment during the first 12 months of employment and four days for each month of employment thereafter, up to 120 days. The sick leave period must last at least four consecutive days, and the employee must provide an appropriate medical certificate issued by a registered medical practitioner or dentist.

**Cash maternity benefits (employer liability):** Must have at least 40 weeks of continuous employment. The employee

must provide notice to the employer of her intention to take maternity leave after the pregnancy has been confirmed by a registered medical practitioner.

**Cash paternity benefits (employer liability):** Must have at least 40 weeks of continuous employment. The employee must provide notice to the employer of her intention to take paternity leave.

**Medical benefits (social assistance):** Aged 15 to 59, in ill health, and a resident of Hong Kong for at least one year (waived for residents younger than age 18). The one-year residence does not have to be continuous or immediately before claiming the benefit. Benefits are income tested and asset tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining eligibility.

Must be assessed with a limited working capacity or as incapable of work by a public medical officer.

### Sickness and Maternity Benefits

**Sickness benefit (employer liability):** 80% of the employee's normal earnings is paid for the number of paid sick days accumulated by the employee.

**Maternity benefit (employer liability):** 80% of the employee's normal earnings is paid for 10 weeks from two to four weeks before the expected date of childbirth or from the date of childbirth, if earlier.

**Paternity benefit (employer liability):** 80% of the employee's normal earnings is paid for three days. The leave can be taken at any time from four weeks before the expected date of childbirth to 10 weeks after the date of childbirth.

**Medical benefits (social assistance):** HK\$3,340 a month is paid for a person living alone or HK\$3,150 a month if living with other family members; plus special grants to meet the beneficiary's other needs.

### Workers' Medical Benefits

**Medical benefits (social assistance):** Free medical treatment is provided in public hospitals and clinics through the Comprehensive Social Security Assistance program.

### Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

### Administrative Organization

**Employer liability:** Labour Department (<http://www.labour.gov.hk/>) administers the program.

**Social assistance:** Social Welfare Department (<http://www.swd.gov.hk/>) administers the program.

## **Work Injury**

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### **Regulatory Framework**

**First and current law:** 1953 (employee's compensation ordinance).

**Type of program:** Employer-liability system through private carriers.

### **Coverage**

Employees, including household workers, agricultural employees, and crew members of Hong Kong ships.

Exclusions: Home-based workers, family helpers, certain casual workers, and self-employed persons.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost. (The minimum coverage is HK\$100 million for employers with up to 200 employees or HK\$200 million for employers with more than 200 employees.)

**Government:** None.

### **Qualifying Conditions**

There is no minimum qualifying period.

### **Temporary Disability Benefits**

80% of the difference between the insured's monthly earnings before and after the accident is paid for up to 36 months, after which a disability is considered permanent.

The insured's monthly earnings used to calculate benefits are the earnings in the month immediately before the accident or the average monthly earnings in the last 12 months before the accident, whichever is greater.

A registered medical practitioner or an Employees' Compensation Assessment Board appointed by the Commissioner for Labour assesses the incapacity for work.

Benefit adjustment: The insured's monthly earnings are adjusted according to the average rate of earnings increase for employees in similar employment with the same employer or, if there are no such employees, according to the rate of increase in the consumer price index at the end of each 12-month period that the disability benefit is received.

### **Permanent Disability Benefits**

**Permanent disability grant:** For a total disability (100%), a lump sum of 48 months of the insured's earnings is paid if aged 56 or older; 72 months if aged 40 to 55; or 96 months if younger than age 40.

The insured's earnings used to calculate benefits are the earnings in the month immediately before the accident or average monthly earnings in the last 12 months before the accident, whichever is greater.

The minimum monthly earnings used to calculate benefits are HK\$3,690 (as of March 5, 2015).

The maximum monthly earnings used to calculate benefits are HK\$26,070 (as of March 5, 2015).

The minimum lump sum for a permanent total disability is HK\$426,880 (as of March 5, 2015), regardless of age.

The maximum lump sum for a permanent total disability is HK\$1,251,360 if aged 56 or older; HK\$1,877,040 if aged 40 to 55; or HK\$2,502,720 if younger than age 40 (as of March 5, 2015).

Partial disability: A percentage of the full benefit is paid according to the assessed degree of disability and a schedule in law.

Constant-attendance supplement: The actual cost of constant attendance, up to HK\$511,770 (as of March 5, 2015), is paid as a lump sum.

An Employees' Compensation Assessment Board appointed by the Commissioner for Labor assesses the degree of disability.

### **Workers' Medical Benefits**

Medical benefits include examination and treatment by a registered medical practitioner, dental care, physical therapy, chiropractic services, and appliances.

The maximum limit on employers' liability for treatment costs is HK\$200 a day for inpatient care or outpatient care, or HK\$280 if both types of care are needed during the same day. The maximum limit for appliances is initially HK\$36,430; HK\$110,390 for subsequent repair and renewal of the appliance (2015).

### **Survivor Benefits**

**Survivor grant:** A lump sum of 36 months of the deceased's earnings is paid if the deceased was aged 56 or older; 60 months if aged 40 to 55; or 84 months if younger than age 40.

The deceased's earnings used to calculate benefits are earnings in the month immediately before the accident or average monthly earnings in the last 12 months before the accident, whichever is greater.

The maximum monthly earnings used to calculate benefits are HK\$26,070 (as of March 5, 2015).

The minimum lump sum is HK\$375,950 (as of March 5, 2015), regardless of age.

The maximum lump sum is HK\$1,251,360 if the deceased was aged 56 or older; HK\$1,877,040 if aged 40 to 55; or HK\$2,502,720 if younger than age 40 (as of March 5, 2015).

Eligible survivors include the deceased's spouse, children, parents, grandparents, and other family members who had been living with the deceased for at least 24 months immediately before the accident. The grant is split among eligible survivors. The amount paid to each survivor depends on the number and type of eligible survivors (with the spouse and children receiving the largest shares of the benefit in all cases). If the only survivors are the spouse and children, 50% of the grant is paid to the spouse, and 50% is split equally among the children.

**Funeral grant:** A lump sum of up to HK\$76,220 is paid to the person who paid for the funeral.

### **Administrative Organization**

Labour Department (<http://www.labour.gov.hk/>) administers the employer-liability program.

Employers purchase insurance policies with private insurance carriers.

## **Unemployment**

### **Regulatory Framework**

**First law:** 1977.

**Current law:** 1993 (comprehensive social security assistance).

**Type of program:** Social assistance system.

### **Coverage**

Residents of Hong Kong.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### **Qualifying Conditions**

**Comprehensive social security unemployment benefit (means tested):** Aged 15 to 59 with at least one year of residence (requirement waived if a resident is younger than age 18) before claiming the benefit. The one-year residence does not have to be continuous or immediately before claiming the benefit. Benefits are income tested and asset tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining eligibility.

Must be capable of work, actively seeking full-time work, and participating in the Support for Self-reliance Scheme of the Social Welfare Department.

### **Unemployment Benefits**

**Comprehensive social security unemployment benefit (means tested):** HK\$2,355 a month is paid for a person living alone or HK\$1,690 to HK\$2,100 a month if living with other family members, depending on the number of family members; plus special grants to meet the beneficiary's other needs.

### **Administrative Organization**

Social Welfare Department (<http://www.swd.gov.hk/>) administers the program.

## **Family Allowances**

### **Regulatory Framework**

**First law:** 1971 (social assistance).

**Current law:** 1993 (comprehensive social security assistance).

**Type of program:** Social assistance system.

### **Coverage**

Residents of Hong Kong.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### **Qualifying Conditions**

**Comprehensive social security family benefit (means tested):** A resident of Hong Kong for at least one year (residency requirement waived if a resident is younger than age 18) before claiming the benefit. The one-year residence does not have to be continuous or immediately before claiming the benefit. Benefits are income tested and asset tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining eligibility.

**Single Parent Supplement:** Paid to single parents with a child younger than age 18 (age 21 if single and a full-time student). The supplement is also paid to a married parent if his/her spouse is hospitalized, in a penal institution, or banned from Hong Kong.

### ***Family Allowance Benefits***

**Comprehensive social security family benefit (means tested):** From HK\$1,690 to HK\$2,560 a month is paid, depending on the number of family members; plus special grants to meet the recipient's needs.

Single Parent Supplement: HK\$330 a month is paid (as of February 1, 2016).

### ***Administrative Organization***

Social Welfare Department (<http://www.swd.gov.hk/>) administers the program.